

OFFICIAL MINUTES

**California Health Facilities Financing Authority
915 Capitol Mall, Room 587
Sacramento, California**

**Alternate Locations for Teleconference Participation
State Treasurer's Office
304 S. Broadway, Suite 550
Los Angeles, CA 90013**

**Sablan Medical Clinic
927 "O" Street
Firebaugh, CA 93622**

**Thursday, February 23, 2006
1:30 PM**

The meeting was called to order by Laurie Weir sitting for Chairman Philip Angelides. Members present were Anne Sheehan (sitting for Michael C. Genest), Windie Scott (sitting for Steve Westly), Harry Bistrin and Judith Frank. Dr. Theodore Hariton participated via teleconference at the State Treasurer's Office located at 304 S. Broadway, Suite 550 in Los Angeles, CA and Dr. Oscar Sablan participated via teleconference at the Sablan Medical Clinic located at 927 "O" Street in Firebaugh, CA. Also present were staff members Sandra Simpson-Fontaine, Executive Director, Greg Rogers, Deputy Executive Director, Julia Bilaver, Counsel to the Authority, and Peggy Arrivas, Financial Advisor, PricewaterhouseCoopers LLP.

The minutes of the January 26, 2006 meeting were approved as submitted.

The Executive Director's Report was presented covering the month of January 2006. As of January 31, 2006, bonds outstanding totaled \$6,400,351,655 and the fund balance was \$8,152,657.30. There were 10 borrowers with over \$100 million in CHFFA debt with a combined balance outstanding of \$4,968,080,000, which represents 78% of all CHFFA debt outstanding, and 8 equipment financings with a total balance outstanding of \$25,005,008. The Executive Director also reported a HELP II Fund balance of \$18,302,434, a HealthCAP balance of \$0.00, a Cedillo-Alarcón Clinic Grant Fund balance of \$3,451,656, an Anthem-Wellpoint Grant Fund balance of \$35,955,267 and the Children's Hospital Bond Act of 2004 Fund balance of \$664,624,822, as of January 31, 2006.

Resolution No. F-316 – Stanford Hospital and Clinics (SHC) requested the Authority approve a resolution in an amount not to exceed \$428,500,000. SHC will use the bond proceeds to construct, renovate and equip a variety of facilities at two campuses. Staff recommended the Authority approve Resolution No. F-316 in an amount not to exceed \$428,500,000, for Stanford Hospital and Clinics subject to a bond rating of at least an "A" category rating by a nationally recognized rating agency. Peggy Arrivas disclosed that her firm serves as both Stanford's auditor and the Authority's financial advisor. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

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Resolution No. HII-181 – The Arc of Amador and Calaveras (Arc) requested the Authority approve a HELP II resolution in an amount not to exceed \$255,000. The loan proceeds will be used to refinance an existing loan with a balloon payment due in March 2006 on its San Andreas property. In addition, Arc will use loan funds to renovate and remodel its Sutter Creek and San Andreas properties. Staff recommended the Authority approve a resolution for a HELP II Loan in an amount not to exceed \$255,000 for a term not to exceed 10 years for the Arc of Amador and Calaveras, subject to a final appraised value on the Sutter Creek property satisfactory to the Authority and the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Staff presented the quarterly report of the HELP II Loan Program.

Other Business – Peggy Arrivas of PricewaterhouseCoopers LLP made a presentation to the Authority regarding the Financial Results of the CHFFA borrowers.

Having no other business, the meeting was adjourned.